

COMPACT GOAL

The \$506.9 million Compact seeks to increase productive capacity, income generation, and poverty reduction in Mozambique's northern provinces by improving rural and urban water and sanitation, roads, land administration, and agriculture. It also addresses key policy reforms and capacity building initiatives. The program focuses on the economically lagging northern provinces, home to half of the country's population.

COMPACT AT A GLANCE

Compact Signed	07-13-2007
Entry Into Force	09-22-2008
Compact End Date	09-22-2013
Compact Total	\$506,900,000
Amount Committed	\$386,673,537
Amount Expended	\$109,326,499
Estimated Program Beneficiaries	3,325,327
Estimated Increase in Household Income	\$542,300,000

% OF TOTAL COMPACT BUDGET (USD MILLIONS)

40%	Water Supply and Sanitation Project	\$203.5
35%	Rehab. & Construction of Roads Project	\$176.3
8%	Land Tenure Project	\$39.0
4%	Farmer Income Support Project	\$18.4
11%	Monitoring And Evaluation	\$54.2
2%	Program Administration And Control	\$8.2



■ Project Preparation ■ Project Implementation

Water Supply and Sanitation Project

Provide technical assistance and capacity building; rehabilitate/expand the water supply and sanitation systems in urban areas; rehabilitate/expand three municipal water, sanitation, and drainage systems, one dam, and construct rural bore holes (water access points).

Projected Long-Term Results (Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
1,862,253	\$432,500,000

PROJECT COST

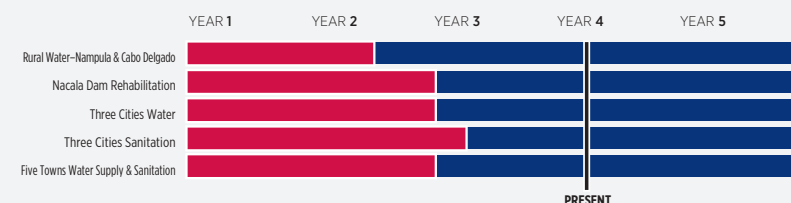
\$203,585,393

TOTAL CONTRACT COMMITMENTS

\$159,955,988

TOTAL PROJECT EXPENDITURES¹

\$31,007,440



PROJECTED RESULTS BY END OF COMPACT

Water consumption anticipated to increase from 20 liters to 24 liters per day in urban areas. Water consumption in rural areas is anticipated to increase from 16 liters to 20 liters per day. 62% of urban and 33% of rural population will have improved sources of water.

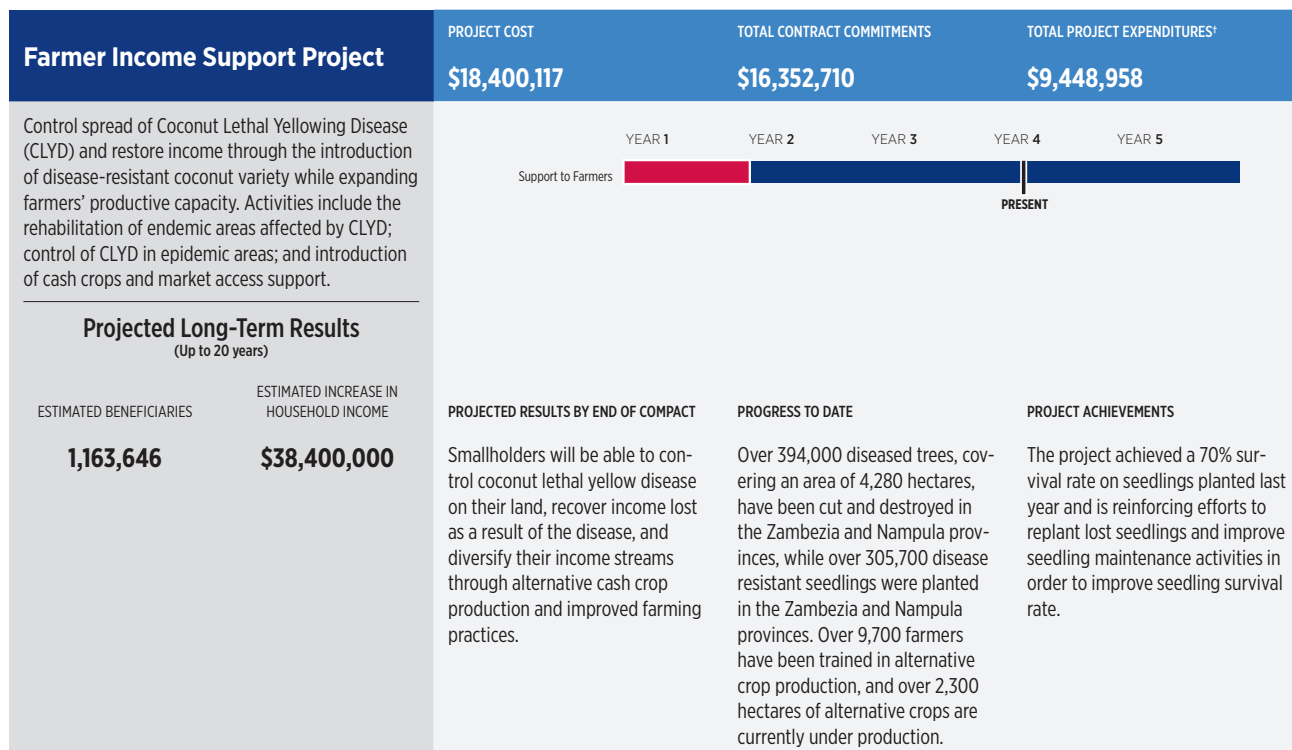
PROGRESS TO DATE

Construction contracts for Nacala Dam, Nampula and Nacala Water Supply and Quelimane Sanitation were signed between May-September 2011. Over 150 bore holes have been completed under Rural Water Activity and final design and community mobilization for the next tranche is underway. Over 3,840 persons trained in hygiene and sanitary best practices.

PROJECT ACHIEVEMENTS

MCC has formed a strategic partnership with the World Bank (WB) to merge the MCC's funding with the WB's institutional and policy knowledge and its resource mobilization network. Accordingly, the WB has agreed to focus its financial/institutional resources on institutional support to the newly created entity (AIAS) for the management of water supply and sanitation in secondary cities in support of MCC-funded infrastructure improvements.

Rehabilitation and Construction of Roads Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES¹						
	\$176,307,480	\$148,667,532	\$30,096,768						
<p>Increase access to productive resources and markets while reducing associated transport costs through rehabilitation and/or widening of strategic portions of the N1 National Highway, and provision of technical assistance.</p> <p>Projected Long-Term Results (Up to 20 years)</p> <table><tr><td>ESTIMATED BENEFICIARIES</td><td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td></tr><tr><td>1,160,029</td><td>\$52,700,000</td></tr></table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	1,160,029	\$52,700,000	<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div> <div><div>Namialo-Rio Lurio & Rio Lurio-Metoro Roads</div><div>Rio Ligonha-Nampula Road</div></div> <div><div>PRESENT</div></div>				
	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME							
	1,160,029	\$52,700,000							
	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Namialo-Rio Lúrio Road average annual daily traffic volume is anticipated to increase from 622 to 720 vehicles per day. Rio-Ligonha-Nampula Road average annual traffic is anticipated to increase from 4,598 to 5,477 vehicles per day.</p>			<p>PROGRESS TO DATE</p> <p>Namialo-Rio Lurio (150 km) and Nampula-Rio Ligonha (103 km) construction contracts were signed in June 2011 and work is currently underway.</p>			<p>PROJECT ACHIEVEMENTS</p> <p>The Government of Mozambique has prepared a maintenance program for the national paved roads network including: a) a rolling 8 year plan; b) provisions for annual updates plans based on additions to the paved road network; c) detailed listing of all paved roads subject to periodic maintenance by year; and d) a funding plan that includes 100% of routine/periodic maintenance funded by user fees as of 10 years after the initial maintenance program.</p>		
	Land Tenure Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES¹					
	\$39,068,307	\$24,229,072	\$14,880,455						
<p>Establish efficient and secure land access for households, communities, and investors by supporting National Policy Monitoring, Land Administration Capacity Building, and Site Specific Facilitation of Land Access.</p> <p>Projected Long-Term Results (Up to 20 years)</p> <table><tr><td>ESTIMATED BENEFICIARIES</td><td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td></tr><tr><td>316,541</td><td>\$34,400,000</td></tr></table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	316,541	\$34,400,000	<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div> <div><div>Land Tenure and Administrative Reforms</div></div> <div><div>PRESENT</div></div>				
	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME							
	316,541	\$34,400,000							
	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>The Compact will set in place an overall land strategy and a modern land administration system that emphasizes client service, utilizes technology, and improves financial and human resource capacity.</p>			<p>PROGRESS TO DATE</p> <p>Over 19,000 urban parcels mapped and adjudicated as part of land tenure regularization activities. 214 of 750 people trained in land administration. 11 of 26 buildings rehabilitated and/or built. 16 out of 23 preparatory studies analyzing land administration institutional change, procedural improvement, technical specifications, and social assessments completed.</p>			<p>PROJECT ACHIEVEMENTS</p> <p>Land Consultative Forum held its first meeting in March 2011. Second meeting of Forum to be held in September 2011.</p>		



The Mozambique Compact was recently re-scoped due to cost overruns and a tight implementation timeline. Instead of investing in four road segments, the compact will now invest in two roads (Namialo-Rio Lurio and Nampula-Rio Ligonha) representing a total of 250 km. instead of 491 km. In addition, the Water Supply and Sanitation project was re-scoped due to financing and time constraints, resulting in investment in two, instead of five, water supply and two, instead of six, sanitation projects.

[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.

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